

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7599**

**BILL NUMBER:** HB 1922

**DATE PREPARED:** Feb 26, 1999

**BILL AMENDED:** Feb 24, 1999

**SUBJECT:** Academic Honors Scholarship.

**FISCAL ANALYST:** David Hoppmann

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**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) (1) This bill would establish the Academic Honors Diploma Scholarship Program to provide \$800 tuition scholarships at State operated or not-for-profit education institutions of higher learning or post-secondary proprietary educational institutions to students who graduate from high school with an academic honors diploma.

(2) It would specify how the \$800 academic honors diploma award that a school corporation receives under current law (for each academic honors diploma awarded in the school year ending in the previous calendar year) is to be used by the school corporation for any purpose for which other funds of the school corporation may be used.

It would strike language that allows school corporations to grant awards to students who complete the honors diploma program.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised)

**ACADEMIC HONORS DIPLOMA PROGRAM AWARDS**

Under current law, school corporations receive \$800 per student who successfully completes an academic honors diploma program in the school year ending in the previous calendar year. For the 1996-1997 school year, approximately 9,000 students successfully completed such a program, for a total of approximately \$7.1 M in honors diploma grants awarded to approximately 290 Indiana school corporations for CY 1998.

For the 1997-1998 school year, approximately 9,000 students successfully completed an academic honors diploma program, for a total of approximately \$7.1 M in honors diploma grants to be awarded to

approximately 287 Indiana school corporations for CY 1999.

### **ACADEMIC HONORS DIPLOMA SCHOLARSHIP**

(1) This bill would require the State Student Assistance Commission (the Commission) to provide scholarship grants of \$800 in tuition scholarship on behalf of each student in the graduating class of a school corporation that successfully completes an academic honors diploma program (as certified by the school corporation), and enrolls and incurs an obligation to pay for tuition at a State operated or not-for-profit education institution of higher learning or post-secondary proprietary educational institution. The Commission would be required to pay the \$800 grants directly to the respective institution where the scholarship recipient is enrolled for credit against the student's tuition obligation.

Based on CY 1998 and CY 1999 academic honors diploma program awards, and on the assumption that the number of academic honors graduates remains constant, and will attend an approved institution of higher education, the State could incur a maximum annual cost of approximately \$7.1 M to provide scholarship grants in accordance with this bill.

The Commission would incur additional administrative time and costs associated with the provisions of this bill.

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** (2) Under current law, school corporations are allowed to either award \$800, respectively, to any student who successfully completes an academic honors diploma program or use the \$800 awards for unspecified local purposes (students receiving an award can use the monies for any purpose). Currently, the number of school corporations that awarded the \$800 grant directly to eligible students in CY 1998 is currently indeterminable.

However, a survey of Indiana school corporations conducted by Legislative Services Agency indicates that out of 60 responding school corporations, approximately 15 (25%) distributed the \$800 awards to eligible students in CY 1998.

Honors diploma grant monies are contained within the state tuition support distribution. For FY 1997-1998 and for FY 1998-1999, respectively, \$2,693,200,000 and \$2,855,400,000 was appropriated for state tuition support.

### **NEW REQUIREMENTS FOR \$800 AWARDS**

This bill would specify how school corporations could use the \$800 that they currently receive for each academic honors diploma (i.e., for any purpose for which other funds of the school corporation may be used). School corporations would no longer be allowed to award the \$800 grants directly to students.

The effects of this portion of the bill would vary from school corporation to school corporation, and would depend upon local action.

### **Explanation of Local Revenues:**

**State Agencies Affected:** State Student Assistance Commission.

**Local Agencies Affected:** School Corporations.

**Information Sources:** State of Indiana, List of Appropriations (July 1, 1997 to June 30, 1999).